

Message Text

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SUBJ: STATUS REPORT: AL-AIN AND ABU DHABI HOSPITAL TENDERS

REF: (A) ABU DHABI 216 (B) ABU DHABI 227 (C) ABU DHABI 2025

1. ABU DHABI GENERAL PROJECTS COMMITTEE HAS DECIDED NOT TO PROCEED WITH MAJOR AL-AIN/ABU DHABI HOSPITAL PROJECT ON BASIS OF CURRENT BIDS, AND WILL INSTEAD SCALE PROJECT DOWN TO SOMETHING CONSIDERABLY LESS GRANDIOSE. TAC WILL CONTINUE AS PROJECT CONSULTANT AND WILL DO THE SCALING DOWN.

2. MEMBERS OF GENERAL PROJECTS COMMITTEE WERE EXTREMELY UPSET THAT BIDS WERE SO MUCH ABOVE THE TAC ESTIMATE. PROJECTS COMMITTEE CHAIRMAN INFORMED EMBASSY THAT UP TO MOMENT BIDS WERE OPENED TAC HAD GIVEN COMMITTEE NO INDICATION THAT BIDS WOULD BE LIKELY TO COME IN SO HIGH (100 TO 150 PERCENT ABOVE TAC ESTIMATE). COMPLAINT WAS ALSO REGISTERED THAT TAC HAD LISTENED TO EVERY WHIM OF ANY ABU DHABI OFFICIAL WHO OFFERED AN OPINION AND INCLUDED HIGHLY SPECIALIZED FACILITIES IN PROJECT WHETHER OR NOT THE FACILITIES MET THE TRUE MEDIAL NEEDS OF ABU DHABI--I.E. THAT TAC HAD FAILED TO DO ITS JOB AS CONSULTANT. WE HEAR THAT ONE OF FACTORS WHICH SAVED TAC WAS PROJECTS COMMITTEE'S RECOGNITION THAT MASSIVE PAYOFFS TO VARIOUS AGENTS AND GOVERNMENT OFFICIALS BY CONTRACTORS HAD BEEN ONE OF PRINCIPAL REASONS FOR EXCESSIVELY COSTLY BIDS.

3. EARLIER, AT TAC'S REQUEST, AND BECAUSE WE HEARD THAT TAC MIGHT BE FIRED BY COMMITTEE, AMBASSADOR CALLED ON SHAIKH HAMDAN,
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MINISTER OF PUBLIC WORKS, AND INDIVIDUAL MEMBERS OF PROJECTS

COMMITTEE TO DISCUSS STATUS TAC'S CONSULTANCY. AMBASSADOR MADE POINT THAT WHILE IT WAS ENTIRELY UP TO ABU DHABI AUTHORITIES TO ASSESS TAC'S SERVICES, WE THOUGHT TAC AS WELL AS OTHER FOREIGN CONSULTANTS HERE FACED PARTICULARLY DIFFICULT PROBLEM IN MULTIPLICITY OF GOVERNMENT DEPARTMENTS AND COMMITTEES THAT GET INTO ACT ON ANY GIVEN MAJOR PROJECT. AMBASSADOR ALSO SAID IT WAS HIGH TIME DECENT HOSPITALS WERE PUT UP IN ABU DHABI AND HE HOPED TAC'S EXCELLENT DESIGN WORK WOULD NOT BE THROWN COMPLETELY OUT WINDOW BECAUSE OF DISAPPOINTMENT OVER PRICES.

4. COMMENT: LESSON TO BE LEARNED FROM THIS IS THAT EVEN ON ABU DHABI GOVERNMENT PROJECTS COST-CONSCIOUSNESS AND COMMON SENSE MUST BE EXERCISED. CONSULTANTS ARE SOMETIMES BEGUILLED FROM INITIAL CONTACTS HERE INTO THINKING THEY HAVE FINALLY LANDED PROJECT THAT IS FREE FROM COST CONSTRAINTS. MORE AND MORE, HOWEVER, BEFORE THEY REACH COMPLETION, COME INTO HANDS OF EXPERTS, MOSTLY FOREIGN, WHO KNOW THEIR BUSINESS AND WILL NOT SWALLOW GOLD-PLATED IRRIGATION PROJECTS, HOSPITALS, ETC. AMERICAN CONSULTANTS ARE WELL-ADVISED TO BEAR THIS FACTOR IN MIND IN THEIR APPROACH TO OPPORTUNITIES HERE.
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